



PRESS-REGISTER

Lawmaker proposes increasing health insurance premiums for teachers, state workers

Wednesday, March 18, 2009

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Capital Bureau

MONTGOMERY — A Mobile lawmaker is proposing increases to low-cost health insurance premiums for teachers and state employees, but some argue that inexpensive rates help attract quality workers.

Rep. Jamie Ison,

R-Mobile, said her bill would help Alabama save money during the "terrific funding crisis" caused by the economic downturn.

The state's employee health insurance costs have climbed by more than

\$800 million in 10 years, with no change in the premiums, Ison said.

"That spiraling cost is out of control," Ison said.

Nonsmoking state employees pay no health insurance premiums for single coverage; nonsmoking teachers pay pennies a day. Family coverage for these employees is also much lower than national averages.

These low costs can make up for low salaries paid to Alabama teachers and state employees, according to union leaders.

"The way we look at health insurance is that it is a part of compensation," said Paul Hubbert, executive secretary of the Alabama Education Association. "The benefit's really what's holding some of our people now, instead of letting them go to Georgia."

Ison said her bill would save the state roughly

\$47 million annually, by:

Raising nonsmoking teachers' premiums from \$2 per month for single coverage and \$134 per month for family coverage, to \$25 and \$159, respectively.

Charging nonsmoking state employees \$25 per month for single coverage, while maintaining a \$180 monthly family premium.

Setting premiums for both plans to rise with inflation.

Employees and teachers who smoke would pay more.

William Ashmore, chief executive officer of the State Employees' Insurance Board, said part of the reason state workers have low premiums is because the state has low health care costs. Ashmore credited state health programs for the savings.

"Not only is the state employee getting a good deal, but so is the state of Alabama," he said.

Mac McArthur, executive director of the Alabama State Employees Association, agreed with Hubbert that Ison's bill could make it harder to attract workers.

"Certainly one of the things that allows you to recruit state employees is a good benefits package," McArthur said.

But others believe that Alabama could raise premiums and still offer a great deal on health insurance.

"I do know, from working in other states, that the portion of the premium that we pass on to our employees is very, very small," Mobile County schools Superintendent Roy Nichols said. Nichols was a superintendent in Georgia and Virginia before taking over in Mobile.

"We can go up a little and still be competitive," Nichols said.

State Superintendent Joe Morton said, "You could raise it to the point where it would be a disincentive" but Ison's bill doesn't go that far.

Supporters and opponents of the bill all agreed on one point: The proposal doesn't have much of a chance of passing this year.

"Most legislation that has pretty strong changes associated with it is not adopted right off the bat," Morton said. "It takes a while to make the argument."

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